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ON PAGE 1-B

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From covert to overt?

A proposal to derecognize the Sandinista dictatorship in Nicaragua will receive "serious consideration," Frank Carlucci, Ronald Reagan's national security adviser, promises.

More than two dozen congressmen, led by Republican Rep. James Courter of New Jersey, have called on the United States to sever normal diplomatic relations with the Communist government of Nicaragua. They may now have an understanding ear in the White House.

Derecognition, Mr. Courter argues, would send a powerful signal to leaders in the region, many of whom have been cool to the freedom fighters because they doubt that the U.S. commitment is a serious one. It also would remove a contradiction that has undermined support for the Contras in the United States, namely, that we denounce the Sandinistas as thugs while treating their envoys like a bunch of Swedish tourists.

Such contradictions, say derecognition advocates, not unlike denouncing terrorism while shipping arms to Iran, lie at the root of the president's inability to win support for the Contras.

"You are right," Mr. Carlucci wrote Mr. Courter on Feb. 23. "On our current course, we are losing political ground."

Skeptical mandarins at the State Department resist the derecognition concept, saying the United States would lose vital intelligence contacts. State also says the move would undermine U.S. credibility, given the "diplomatic norm" of recognizing governments, however unpleasant, that in fact control a country.

No doubt there are some advantages to maintaining an embassy in Managua. If they outweighed the drawbacks, though, you can be sure the Sandinistas would have kicked us out long ago. And State Department custom? It should bow to U.S. interests, not vice versa.

Fortunately there are signs, even at the State Department, of a Contra strategy revision. The people running Nicaragua policy there include the gifted Elliott Abrams and such Young Turks as Phil Peters and Robert Kagan. The Abrams brigade understands well that talks at the peace table will be shaped by action on the battlefield, and is thus searching for new ways to aid the struggle.

With strong leadership from Mr. Kagan, for example, the Contras in mid-January began broadcasting nationwide to their countrymen from a station in Costa Rica, *Radio Liberacion*. An early report from the Central Intelligence Agency suggests the station is already "an important success," winning a large audience from the state's dull propaganda organs.

Grateful letters, smuggled out with the help of U.S. diplomats, are flowing to the station. Sources say a pair of Soviet experts visited Managua in late February to assess the government's need for technical help in jamming the station—a sure sign the broadcasts are working.

Similarly, quiet diplomacy between U.S. officials—mainly Mr. Abrams and Secretary of State George Shultz—and the Europeans, has put the screws to the Sandinista economy. From 1980 to 1984, the Eu-

ropean Economic Community sent almost half its annual aid to Nicaragua, undermining U.S. efforts to pressure the Sandinistas for democratic reforms. This year, roughly 5 percent of EEC aid will go to Managua.

A State Department review of Nicaragua policy now being drawn

up for the president reportedly lists a number of other options for escalating the conflict. Among them:

- Request a "substantial increase" in direct U.S. funding to the Contras, including "overt aid"—enough to allow the freedom fighters to win important victories and thus silence critics who say they cannot prevail.

- Prepare a naval quarantine of arms and other military equipment going to Managua.

- Support a plan, offered by Republicans in Congress, for an American Economic Community, a free-trade zone to help Nicaragua's democratic neighbors revive their economies.

The idea of spreading the magic of free markets to the other democracies of our hemisphere may be most important. Thriving economies in Costa Rica, El Salvador, Brazil, and Argentina would

give those governments greater courage, and greater resources, to stand up to Cuba and the Sandinistas.

To date, though, such an effective strategy has been undermined, mainly because the people running U.S. aid programs have not promoted vigorously the lower tax rates that have driven growth in the United States. Contra backers are hoping Treasury Secretary James

Baker will take still greater control over the management of Latin debt, a problem that Shultz aides such as Peter McPherson have bungled.

The Iran arms fiasco has its obvious drawbacks. Still, by at least threatening a cutoff in aid to the Contras, it has prompted some creative thinking in the administration: creative not in evading the law, but in building a public consensus for helping the people of Nicaragua escape from tyranny.